

KANSAS MEDICAID STATE PLAN

Attachment 4.19-D

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***** EXPENSE STATEMENT *****

DESCRIPTION	LINE NO.	***** REPORTED EXPENSE	***** PROVIDER ADJUSTMT	CURRENT YEAR ***** SRS ADJUSTMT	***** RESIDENT EXPENSE	***** PER DAY	* PRIOR ***** RESIDENT EXPENSE	***** PER DAY	% CHG	LINE NO.	REASON FOR SRS ADJUSTMENT
ADMINISTRATION											
SALARY-ADMIN	101	21,617	0	0	21,617	1.18	21,328	1.17	0.85	101	
SALARY-CO ADM	102	0	0	0	0	0.00	0	0.00	0.00	102	
OTHER ADM SAL	103	72,358	0	0	72,358	3.95	60,544	3.31	19.34	103	
EMP BENEFITS	104	188,331	-171,400	0	16,931	0.92	17,275	0.94	-2.13	104	
OFC SUP & PRINT	105	9,525	0	0	9,525	0.52	6,554	0.36	44.44	105	
MGT CONSULTING	106	262	0	0	262	0.01	0	0.00	100.00	106	
OWN/REL PTY CMP	107	0	0	0	0	0.00	0	0.00	0.00	107	
CENTRAL OFC	108	0	0	0	0	0.00	0	0.00	0.00	108	
PHONE & COMMUNI	109	4,137	0	0	4,137	0.23	4,410	0.24	-4.17	109	
TRAVEL	110	3,477	0	0	3,477	0.19	2,022	0.11	72.73	110	
ADVERTISING	111	2,106	0	0	2,106	0.12	1,188	0.06	100.00	111	
LICENSES & DUES	112	2,388	0	0	2,388	0.13	7,888	0.43	-69.77	112	
LEGAL/ACCTG DP	113	20,543	0	0	20,543	1.12	8,297	0.45	148.89	113	
INS EXCEPT LIFE	114	22,303	0	0	22,303	1.22	15,048	0.82	0.00	114	
INT EXCEPT R/E	115	0	0	0	0	0.00	0	0.00	0.00	115	
LEGAL	116	1,531	0	0	1,531	0.08	2,701	0.15	-46.67	116	
OTHER	117	0	0	0	0	0.00	47	0.00	0.00	117	
OTHER	118	5,460	0	0	5,460	0.30	1,201	0.07	328.57	118	
O/A LIMIT	119	0	0	0	0	0.00	0	0.00	0.00	119	
TOTAL ADMIN	120	354,038	-171,400	0	182,638	9.98	145,802	7.97	25.22	120	
PLANT OPERATING											
R/E & PP TAXES	121	0	0	0	0	0.00	0	0.00	0.00	121	
SALARIES	126	35,446	0	0	35,446	1.94	33,063	1.81	7.18	126	
EMP BENEFITS	127	0	6,384	0	6,384	0.35	5,349	0.29	20.69	127	
OWN/REL PTY CMP	128	0	0	0	0	0.00	0	0.00	0.00	128	
UTILITIES	129	50,477	0	0	50,477	2.76	44,809	2.45	12.65	129	
MAINT & REPAIR	130	22,856	0	0	22,856	1.25	16,572	0.91	37.36	130	
SUPPLIES	131	4,670	0	0	4,670	0.26	1,044	0.06	333.33	131	
SMALL EQUIPMENT	137	2,452	0	0	2,452	0.13	1,919	0.10	30.00	137	
OTHER	138	2,971	0	0	2,971	0.16	2,048	0.11	45.45	138	
TOTAL PLANT OP	139	118,872	6,384	0	125,256	6.84	104,804	5.73	19.37	139	
ROOM & BOARD											
EMP BENEFITS	141	0	38,664	0	38,664	2.11	30,892	1.69	24.85	141	
DIETARY-SAL	142	175,115	0	0	175,115	9.57	150,148	8.20	16.71	142	
OWN/REL PTY CMP	143	0	0	0	0	0.00	0	0.00	0.00	143	
CONSULTANT	144	0	0	0	0	0.00	7,264	0.40	0.00	144	
FOOD	145	62,630	0	0	62,630	3.42	66,588	3.64	-6.04	145	
SUPPLIES	146	11,163	0	0	11,163	0.61	11,446	0.63	-3.17	146	
OTHER	148	117	0	0	117	0.01	14	0.00	100.00	148	
LAUNDRY-LINEN-SAL	149	32,418	0	0	32,418	1.77	34,015	1.86	-4.84	149	
LINEN - BEDDING	150	3,872	0	0	3,872	0.21	4,207	0.23	-8.70	150	
SUPPLIES	151	3,814	0	0	3,814	0.21	55	0.00	100.00	151	
OTHER	153	0	0	0	0	0.00	0	0.00	0.00	153	
HOUSEKEEPING-SAL	154	7,222	0	0	7,222	0.39	6,785	0.37	5.41	154	
SUPPLIES	155	953	0	0	953	0.05	1,195	0.07	-28.57	155	
OTHER	158	0	0	0	0	0.00	0	0.00	0.00	158	
TOTAL RM & BOARD	159	297,304	38,664	0	335,968	18.35	312,609	17.08	7.44	159	

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***** EXPENSE STATEMENT *****

DESCRIPTION	LINE NO.	REPORTED EXPENSE	PROVIDER ADJUSTMT	CURRENT YEAR SRS ADJUSTMT	RESIDENT EXPENSE	PER DAY	* PRIOR YEAR * RESIDENT EXPENSE	PER DAY	% CHG	LINE NO.	REASON FOR SRS ADJUSTMENT
HEALTH CARE											
NURSING-RN	161	129,646	0	0	129,646	7.08	52,533	2.87	146.69	161	
LPN/LMHT	162a	148,729	0	0	148,729	8.13	161,665	8.83	-7.93	162a	
LPN/LMHT	162b	0	0	0	0	0.00	0	0.00	0.00	162b	
OTHER NURSING	163a	324,176	0	0	324,176	17.71	345,197	18.86	-6.10	163a	
OTHER NURSING	163b	0	0	0	0	0.00	0	0.00	0.00	163b	
OTHER NURSING	163c	14,747	0	0	14,747	0.81	26,694	1.46	-44.52	163c	
EMP BENEFITS	164	0	126,352	0	126,352	6.90	103,503	5.65	22.12	164	
OWN/REL PTY CMP	165	0	0	0	0	0.00	0	0.00	0.00	165	
CONSULTANTS	166	0	0	0	0	0.00	0	0.00	0.00	166	
PURCH SERVICES	167	21,846	0	0	21,846	1.19	0	0.00	100.00	167	
SUPPLIES	168	15,629	0	0	15,629	0.85	11,354	0.62	37.10	168	
OTHER	170	0	0	0	0	0.00	2,357	0.13	0.00	170	
THPY/OTHER SAL	171a	0	0	0	0	0.00	0	0.00	0.00	171a	
THPY/OTHER SAL	171b	0	0	0	0	0.00	0	0.00	0.00	171b	
THPY/OTHER SAL	171c	0	0	0	0	0.00	0	0.00	0.00	171c	
THPY/OTHER SAL	171d	0	0	0	0	0.00	0	0.00	0.00	171d	
THPY/OTHER SAL	171e	0	0	0	0	0.00	0	0.00	0.00	171e	
THPY/OTHER SAL	171f	0	0	0	0	0.00	0	0.00	0.00	171f	
OWN/REL PTY CMP	172	0	0	0	0	0.00	0	0.00	0.00	172	
PAT ACT/SOC WKR	173a	18,355	0	0	18,355	1.00	18,770	1.03	-2.91	173a	
PAT ACT/SOC WKR	173b	37,644	0	0	37,644	2.06	34,254	1.87	10.16	173b	
PAT ACT/SOC WKR	173c	25,013	0	0	25,013	1.37	24,907	1.36	0.74	173c	
PAT ACT/SOC WKR	173d	3,369	0	0	3,369	0.18	0	0.00	0.00	173d	
PAT ACT SUPPLS	174	152	0	0	152	0.01	249	0.01	0.00	174	
OCCUP THERAPY	175	0	0	0	0	0.00	0	0.00	0.00	175	
MED RECORDS-COM	176	0	0	0	0	0.00	155	0.01	0.00	176	
PHARM-CONSULTANTS	177	0	0	3,600	3,600	0.20	0	0.00	100.00	177	Note Attached
SPEECH THERAPY	178	0	0	0	0	0.00	0	0.00	0.00	178	
PHYSICAL THERAPY	179	0	0	0	0	0.00	0	0.00	0.00	179	
CONSULTANT	180	0	0	0	0	0.00	8	0.00	0.00	180	
NURSING TRNG	181a	2,569	0	0	2,569	0.14	1,497	0.08	75.00	181a	
NURSING TRNG	181b	795	0	0	795	0.04	231	0.01	300.00	181b	
RESIDENT TRANSP	182	0	0	0	0	0.00	0	0.00	0.00	182	
OTHER	183	3,600	0	-3,600	0	0.00	0	0.00	0.00	183	Note Attached
OTHER	188	843	0	0	843	0.05	0	0.00	100.00	188	
TOTAL HLTH CARE	189	747,113	126,352	0	873,465	47.72	783,374	42.80	11.50	189	
TOTAL ALLOWABLE	190	1,517,327	0	0	1,517,327	82.89	1,346,589	73.58	12.65	190	

OWNERSHIP

INT-R/E MORTG	191	3,177	0	0	3,177	0.17	0	0.00	100.00	191	
RENT/LEASE	192	1,277	0	0	1,277	0.07	5,760	0.31	-77.42	192	
LEASEHOLD IMPRV	193	0	0	0	0	0.00	0	0.00	0.00	193	
DEPRECIATION	194	131,106	0	0	131,106	7.16	128,083	7.00	2.29	194	
TOTAL OWNERS	195	135,560	0	0	135,560	7.41	133,843	7.31	13.87		

REAL AND PERSONAL PROPERTY FEE COMPONENT

EFF DATE	RES DAYS	MTG INT	RENT/LEASE	AMORT	DEPR	TOTAL	PPD	PROP ALLOW	VALUE FACTOR	PROP FEE
09/01/1994	17,994	3,343	0	0	86,973	90,316	5.02	5.66	0.00	5.66

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***** EXPENSE STATEMENT *****

***** CURRENT YEAR ***** * PRIOR YEAR *

DESCRIPTION	LINE NO.	REPORTED EXPENSE	PROVIDER ADJUSTMT	SRS ADJUSTMT	RESIDENT EXPENSE	PER DAY	RESIDENT EXPENSE	PER DAY	% CHG	LINE NO.	REASON FOR SRS ADJUSTMENT
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HEALTH CARE (CONTINUED)

RESIDENT TRANSP	182	239	0	0	239	0.02	0	0.00	100.00	182	
OTHER	183	0	0	145	145	0.01	0	0.00	100.00	183	Transfer #1
OTHER	184	0	0	0	0	0.00	0	0.00	0.00	184	
OTHER	185	0	0	0	0	0.00	0	0.00	0.00	185	
OTHER	188	1,750	0	0	1,750	0.11	0	0.00	100.00	188	
TOTAL HLTH CARE	189	357,843	66,805	0	424,648	27.49	382,235	24.79	10.89	189	
TOTAL ALLOWABLE	190	849,295	1	-10,965	838,331	54.26	772,580	50.10	8.30	190	

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Kansas Statutes Annotated 39-708c. Powers and duties of secretary of social and rehabilitation services; . . . centralized payment of welfare expenditures. (a) The secretary of social and rehabilitation services shall develop state plans, as provided under the federal social security act, whereby the state cooperates with the federal government in its program of assisting the states financially in furnishing assistance and services to eligible individuals. The secretary shall undertake to cooperate with the federal government on any other federal program providing federal financial assistance and services in the field of social welfare not inconsistent with this act. The secretary is not required to develop a state plan for participation or cooperation in all federal social security programs or other federal programs that are available. The secretary shall also have the power, but is not required to develop a state plan in regard to assistance and services in which the federal government does not participate.

. . . .

(k) All contracts shall be made in the name of "secretary of social and rehabilitation services," and in that name the secretary may sue and be sued on such contracts. The grant of authority under this subsection shall not be construed to be a waiver of any rights retained by the state under the 11th amendment to the United States constitution and shall be subject to and shall not supersede the provisions of any appropriations act of this state.

. . . .

(x) The secretary shall establish payment schedules for each group of health care providers. Any payment schedules which are a part of the state medicaid plan shall conform to state and federal law. The secretary shall not be required to make any payments under the state medicaid plan which do not meet requirements for state and federal financial participation.

(1) The secretary shall consider budgetary constraints as a factor in establishing payment schedules so long as the result complies with state and federal law.

(2) The secretary shall establish payment schedules for providers of hospital and adult care home services under the medicaid plan that are reasonable and adequate to meet the costs

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which must be incurred by efficiently and economically operated facilities in order to provide care and services in conformity with applicable state and federal laws, regulations, and quality and safety standards. The secretary shall not be required to establish rates for any such facility that are in excess of the minimum necessary to efficiently and economically meet those standards regardless of any excess costs incurred by any such facility.

. . .

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Subpart D**

**Methods and Standards for Establishing Payment Rates-
Skilled Nursing and Intermediate Care Facility Rates
(NFs and NFs/MH)**

Levels of Care

The following levels of care shall be provided:

1. nursing facilities under 200 beds.
2. nursing facilities over 199 beds.

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Method and Standards for Establishing Payment Rates: Nursing Facilities

Rates When Two Or More Nursing Facilities Merge Under One License

The Kansas Department of Health and Environment (KDHE) instituted a policy wherein if two nursing facilities meet certain policy criteria, KDHE will issue one license for two facilities. Subpart E will explain the methods and standards for establishing payment rates when two or more facilities are merged under one license.

Merged Facilities In Operation Over 12 Months And With Rates From Calendar Year Cost Reports:

Providers who have participated in the Medicaid program for 12 months or longer are required to file a calendar year Nursing Facility Financial and Statistical Report (cost report). The cost report is used to determine the rate that is effective the following July 1. The following is how the rates will be determined for two or more nursing facilities that are merged on one license and that have been paid Medicaid rates based on the submission of the calendar year cost reports.

Initial Rates:

When multiple facilities are joined on one license, each facility will continue to receive the Medicaid reimbursement rate that was set for each facility. The rates are based on the latest cost report filing. If each facility had filed a calendar year cost report for a rate for the following July 1, they would continue to be paid the separate rates that were effective July 1 following the merger. The provider will bill the fiscal agent using the provider numbers specific to each facility.

For example, two facilities combined under one license on June 1, 1998. Each facility will be paid their separate rates for June 1998 services based on the calendar year 1996 cost reports filed for each. They will be paid their separate rates for services beginning July 1998 through June 1999, based on the calendar year 1997 cost reports filed for each facility.

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Rates When Two Or More Nursing Facilities Merge Under One License

Subsequent Rates:

The provider will file one cost report for the facilities under one license for the calendar year following the merger. The calendar year end cost report will be for 12 months. The cost report will consist of the individual operations of each facility for the first part of the calendar year and the combined operations, after the merger, for the remaining part of the calendar year. This calendar year cost report will be used to set one rate for the facilities under one license on the following July 1st. At that time, all but one of the provider numbers will be deactivated and the remaining provider number will be used for the multiple facilities.

For example, two facilities combined under one license on June 1, 1998. The provider will be required to file one cost report for the period January 1 through December 31, 1998. The cost report will consist of the individual operations of each facility through May 31st and the combined operations of the two from June 1 through December 31, 1998. The cost report will be used to establish one rate for the two nursing facilities effective July 1, 1999.

Merged Facilities When One or More Is Not On Calendar Year Cost Reporting:

A cost report may be filed for a period other than the calendar year when one of the following criteria is met:

- 1) There is a recognized change of providers.
- 2) A newly constructed facility enters the program.
- 3) A facility that has been out of the Medicaid program for two years re-enters.
- 4) A facility, which never participated in the Medicaid program, enters.

In these situations, the cost report covers the first 12 months of operation, which may not coincide with the calendar year.

For example, a recognized change of provider is effective March 1, 1998. The first cost report would cover the period from March 1, 1998 through February 28, 1999. The cost report submission would be used to determine the Medicaid rate until the subsequent cost

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Method and Standards for Establishing Payment Rates: Nursing Facilities

Rates When Two Or More Nursing Facilities Merge Under One License

report is filed for the calendar year 1999. The calendar year 1999 submission would determine a rate effective July 1, 2000.

Initial Rates:

When multiple facilities are joined on one license and one or more has a cost report submission on other than a calendar year, each facility will continue to receive the Medicaid reimbursement rate that was set for each facility. The rates are based on the latest cost report filing. The provider will bill the fiscal agent using the provider numbers specific to each facility.

For example, two facilities combined under one license on June 1, 1998. Facility A has been filing calendar year cost reports and will be paid a separate rate for June 1998 services based on the calendar year 1996 cost report. Facility A will be paid a separate rate for services beginning July 1998 through June 1999, based on the calendar year 1997 cost report.

Facility B was recognized as a change of provider on March 1, 1998. Facility B received the previous provider's rate based on the calendar year 1996 cost report filed by the previous provider. Facility B will continue to receive rates based on the calendar year 1996 cost report until the first cost report is filed for the period from March 1, 1998 through February 28, 1999. The rate from the first cost report will be effective March 1, 1999. The cost report will be used to set a new rate on July 1, 1999, when the new upper payment limits, incentive ranges and inflation factors are applied.

Subsequent Rates:

The provider will file one cost report for Facilities A and B for the first common calendar year reporting following the merger and the first cost report is filed for Facility B. The calendar year end cost report will be for 12 months. The cost report will consist of the individual operations of each facility for the first part of the calendar year and the combined operations, after the merger, for the remaining part of the calendar year. This calendar year cost report will be used to set one rate for the facilities under one license on the following July 1st. At that time, all but one of the provider numbers will be deactivated and the remaining provider number will be used for the multiple facilities.

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Method and Standards for Establishing Payment Rates: Nursing Facilities

Rates When Two Or More Nursing Facilities Merge Under One License

Facility A will be required to file a calendar year cost report for the period January 1 through December 31, 1998. The cost report will set the rate for July 1, 1999. Facility B will be required to file a 12-month cost report for the period from March 1, 1998 through February 28, 1999 for new rates.

The first combined cost report for facilities A and B will be for calendar year 1999. It will consist of the individual operations of each facility through February 28, 1999 and the combined operations of the two from March 1 through December 31, 1999. The cost report will be used to establish one rate for the two nursing facilities effective July 1, 2000. At that time, all but one of the provider numbers will be deactivated and the remaining provider number will be used for the multiple facilities.

Merged Facilities When One Or More Files A Cost Report For The Period Ended December 31 For A Rate Effective On January 1

A cost report will be filed for a period ended December 31 when a change is within one month of the calendar year end and one of the following criteria is met:

- 1) There is a recognized change of providers.
- 2) A newly constructed facility enters the program.
- 3) A facility that has been out of the Medicaid program for two years re-enters.
- 4) A facility, which never participated in the Medicaid program, enters.

The provider files a 12-month historic cost report on the calendar year end if the change above was effective January 1. If the change were effective February 1, an eleven-month cost report would be filed for the period ended on December 31. If a change was effective on December 1, a thirteen-month cost report would be filed for the period ended on the following December 31. The rate effective date of the cost report would be January 1.

The three scenarios below will explain how the rates will be determined if two facilities merged and one or more of the facilities met one of the four criteria above and filed a cost report for a period ended on December 31.